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OXC-1861

Copy 1 of 6

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Information Fidelity Incorporated
Las Vegas, Nevada

Subject : Letter Notice of Termination

Reference: Contract No. CC-28441

Gentlemen:

1. Effective Date of Termination. You are notified that your Contract No. CC-28441 (hereinafter referred to as "the contract") is hereby terminated for the convenience of the Government, in accordance with the clause hereof entitled "Termination". Such termination will be effective 30 June 1961, except that effort reasonably required to complete an adequate final report may be continued for a period of thirty (30) days thereafter.

2. Cessation of Work and Notification to your Immediate Sub-contractors.

(a) Except for preparation of the final report, you shall stop all work, make no further shipments, and place no further orders in connection with the contract, except (1) to the extent necessary to perform any portion thereof not terminated by this Notice, or (2) to the extent that you may wish to retain and continue any work in process or other materials for your own account, or (3) to the extent the Contracting Officer authorizes you to continue work-in-process for reasons of safety, or to clear (or avoid damage to) equipment or to avoid immediate complete spoilage of work-in-process having a definite commercial value, or otherwise to prevent undue loss to the Government. (If you believe the authorization referred to in subparagraph (3) above is necessary or advisable, you shall immediately notify the Contracting Officer by telephone or personal conference and obtain instructions.) You shall keep adequate records of your compliance with this paragraph 2(a) showing (i) the date you received your Notice of Termination, (ii) the effective date of such termination, and (iii) the extent of completion of performance on such effective date.

(b) You shall give notice of termination to each of your immediate subcontractors (including suppliers) who will be affected by the termination of your contract. In such notice you shall (1) give him the number of your contract with the Government, (2) state that it has been terminated for the convenience of the Government, (3) give him the name and address of the Contracting Officer, (4) instruct him to stop all work, to make no further shipments, to place no more orders, and to terminate all subcontracts under this contract

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with you (subject to the same exceptions stated in paragraph 2(a)), (5) direct him to submit his settlement proposal promptly in order to expedite settlement, and (6) request him to give similar notice and instructions to his immediate subcontractors.

(c) You shall notify the Contracting Officer of the number of articles completed under the contract and still on hand, and arrange with him for their delivery or other disposal.

(d) You shall forthwith transfer title to and deliver to the Government, in accordance with any instructions of the Contracting Officer, all items of termination inventory.

(e) You shall notify the Contracting Officer of any pending legal proceedings which relate to any subcontracts or purchase orders under the terminated contract or which have resulted in or which are intended to result in a lien or encumbrance on any termination inventory you propose and are authorized to purchase, retain, or dispose of. (The Contracting Officer shall also be promptly notified of any such proceedings brought after receipt of this Notice.)

(f) You shall take such other action as may be required by the Contracting Officer or under the termination clause contained in your contract.

3. Termination Inventory. In connection with settlement of your claim, it will be necessary to establish that all your termination inventory and that of your subcontractors has been properly accounted for. For detailed information, see ASPR, Section VIII, Part 5.

4. Completed End Items. Subject to ASPR 8-306, you will invoice acceptable completed end items under the contract, including costs of final report, in the usual way and not include them in your settlement proposal.

5. Submission of Settlement Proposal. Your settlement proposal, including a termination inventory, should be submitted as promptly as possible. After invoicing costs in accordance with paragraph 4, above, a no-cost settlement proposal may be in order.

6. Patents. Your attention is called to any provisions of the contract which may require you to make a disclosure of, and to deliver to the Government instruments of license or assignment respecting all inventions, discoveries, and patent applications made by you in the performance of the contract. You are urged to forward such disclosures and instruments of license or assignment to the Contracting Officer promptly, inasmuch as these contractual obligations must be complied with before execution of the final settlement agreement. This paragraph may be disregarded if the contract contains no such patent provisions.

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7. Settlements with Subcontractors. You remain liable to your subcontractors and suppliers for claims arising by reason of the termination of their subcontracts or orders. You are requested to settle such termination claims as promptly as possible. For purposes of reimbursement by the Government, such settlements will be governed by the provisions of ASPR Section VIII.

8. The office named below will be in charge of the settlement of your claim. As to any matters not covered by this Notice, you should consult the Office named below.

9. Please acknowledge receipt of this Notice as shown below.

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Contracting Officer

Acknowledgement of Notice

The undersigned hereby acknowledged receipt of a signed copy of the foregoing Notice on _____ 1961. Two copies of this Notice, both signed, are herewith returned.

INFORMATION FIDELITY INCORPORATED

BY _____

TITLE _____

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